



UNIQUE IDENTIFICATION (UID)

**GFP Industry Group
Meeting
November 29-30, 2004
1662 Breakout**



1662 Discussion

Data Elements needed for UID Registration Population?

- ◆ Do we need 1662 as well for 2005?
 - Yes
- ◆ Do we continue 1662's for non-UID items?
 - Something like the 1662, but not the 1662
- ◆ What do to with Real Property
 - Brainstorm a plan of action
 - Report it like the non-UID items
- ◆ What to do about audits/verification
 - Next slide



1662

Audits/Verification/Reconciliation

- ◆ Components of 1662 (Existing)
 - RP, ST, APP, STE, IPE/OPE, Material, Contractor Acquired items, Government Furnished items

- ◆ Future System

- | | |
|--|-------------|
| <ul style="list-style-type: none">– RP (GO)– Equipment (GF)– Material (GF)– Raw Materials– LVP– CAP | <u>Each</u> |
|--|-------------|

Step 1: Create '05 1662 with audit trail from '04 (i.e., our normal process)

Step 2: Transition '05 (1662) data to new categories

Step 3: Post - Reconciliation

1. Depreciate values of UID items
2. Annual report of non-UID items (lump sum)
3. Eliminate CAP reporting

Guidance out by March!



1662 to Future (Online?) Continued

- ◆ Handling of Low Risk Property (LRP)
 - Net Book Value is Zero (items have been expensed)
 - Accountability by contractors drives an “Inventory” value
 - Depreciates over time
- ◆ What is the timeline (How do we do this)
 - Need guidance by end of March
 - Need special format (September 30, 2005) that matches 1662 to future (online?) system to segue (one-time only)
 - Need format for LRP for beyond 2005



LOW RISK PROPERTY (LRP)

- ◆ Deviation < \$5k (that is not UID)
- ◆ FAR RW Risk Based
 - Everything that has a UID
- ◆ UID \geq \$5k
- ◆ Capitalized at \$100K



1662 Discussion

- ◆ Brainstorm approach to interim DFARS coverage to get better traceability between spares & equipment
 - DoDI 5000.64 sets property management floor at \$5k
 - UID floor is \$5k plus identified additions
 - FAR rewrite moves to risk based property management versus dollar threshold
 - Should we review/change DFARS to remove the \$5k floor and put it in other guidance



1662 Discussion

- ◆ How can we ensure “1662-like” future reporting excludes CAP?
 - DOD needs to adopt the “Possession” concept
 - Upon “possession” CAP would be treated similarly to end items.